

**[Unapproved and Subject to Change]**  
**CALIFORNIA FAIR POLITICAL PRACTICES COMMISSION**  
**MINUTES OF MEETING**

**SPECIAL SESSION**

January 20, 2005

**Item #1. Call to order and establishment of quorum.**

Chairwoman Liane Randolph called the special session meeting of the Fair Political Practices Commission (FPPC) to order at 12:00 p.m., at 428 J Street, Eighth Floor, Sacramento, California. In addition to Chairwoman Randolph, Commissioners Sheridan Downey, Pam Karlan, and Tom Knox were present. Commissioner Philip Blair was absent.

**Item #2. Finding (by a two-thirds vote) relative to holding a special meeting on less than 10 days notice pursuant to Government Code Section 11125.4(c).**

Executive Director Mark Krausse explained that SB 52 was introduced last week, and he was then contacted by Senate staff on Tuesday who said that the contents of SB 54 had been slightly modified and then gutted and amended into SB 25, which was on a fast track for a hearing the next day, Wednesday. That hearing has been put over to next week, and it appears the bill will be moved very quickly. This morning, Mr. Krausse was given a copy of the bill with the added urgency clause, which is evidence that the author intends to move the bill quickly.

Commissioner Karlan moved to allow the Commission to hear this matter in order for the Commission to take a position on the bill before it is heard in Committee.

Commissioner Downey seconded the motion.

Commissioners Downey, Karlan, Knox, and Chairwoman Randolph voted, "Aye." The motion carried by a 4-0 vote.

**Item #3. Pending Legislation. (Government Code Section 11125.4(a)(2).)**

Executive Director Mark Krausse explained SB 25 from an enforcement perspective, in that the bill would undermine the Enforcement division's ability to bring actions like the ones in the Bustamante and Machado cases. The construction of the bill gives the candidate the ability to solicit contributions in a less than clear manner and then characterize the solicitation after deciding where to deposit the contribution. It would violate the intent of the one bank account rule and would make it very difficult to bring those kinds of actions. The updated analysis proposes an alternative that should remedy those concerns. Mr. Krausse recommended that the Commission discuss its position on the original language in the bill. The concern is its application to pending cases, with a question of whether the language is declaratory of existing law. The argument that it is not declaratory is that there is no presumption in existing law, so it

is at least adding that. Saying that it could be rebutted, and pointing out that the contributor's intent could be rebutted, brings the bill closer to existing law.

Commissioner Knox stated that the language is not declaratory of existing law. He suggested not including subdivision (b) in any recommendation to the Legislature.

Mr. Krausse added that staff's recommended position is to oppose unless (b) is removed, at a minimum.

Commissioner Karlan agreed that (b) should definitely be removed. Further, she suggested removing the word "expressly" from the last line of section (a) of the staff's proposed amendment.

Chairwoman Randolph said the recommendation would be to make all of the amendments set forth, delete subdivision (b), and delete the word "expressly."

Commissioner Knox suggested inserting the word "that" between the words "of" and "office" in the last line to read "that specific term of that office."

Commissioner Karlan moved to approve the staff recommendation as modified.

Commissioner Knox seconded the motion.

Commissioners Downey, Karlan, Knox, and Chairwoman Randolph voted, "Aye." The motion carried by a 4-0 vote.

**Item #4. Adjournment of meeting.**

Special Session adjourned at 12:07 p.m.

Dated: January 21, 2005

Respectfully submitted,

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Whitney Barazoto  
Commission Assistant

Approved by:

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Chair Randolph